



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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Dear _____ :

I am responding to your letter to the First Lady dated June 22, 2016, about your dependent care flexible spending arrangement (DCFSA). In your letter, you asked whether there is any way to increase the annual contribution amount above \$5,000.

Unfortunately, your request to increase the limitation on contribution amounts is not a matter the IRS can control. Rather, it requires a change to the Internal Revenue Code (the Code) that only the Congress can make.

You can find the rules governing the limits on the DCFSA exclusion in section 129 of the Code. This section allows an employee to exclude amounts for dependent care assistance paid through a DCFSA. The law states that the amount excludable may not exceed the stated amount, which is currently set at \$5,000, as you noted in your message.

I hope this information is helpful. If you need additional information, please contact me or _____ of my staff at _____.

Sincerely,

Christine Ellison
Acting Chief, Health and Welfare Branch
Office of Associate Chief Counsel
(Tax Exempt and Government Entities)